

Review of INTERNATIONAL AFFAIRS

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THE DISARMAMENT PROBLEM BEFORE THE UNITED NATIONS

Dr. Jože BRILEJ

YUGOSLAVIA'S PERMANENT REPRESENTATIVE TO THE UNO

DURING the past ten years the question of disarmament has been constantly on the agenda of the UN General Assembly and its organs, and it has also been on the agenda of a number of international meetings and conferences outside the United Nations. At first sight, all efforts made in the past with the aim of initiating the settlement of this fundamental world problem proved of no avail. No general agreement on disarmament has been reached, nor has it been possible to make even the minimal practical arrangements about the initial steps to be taken towards disarmament. In the meantime the armament race is going on.

However, nothing would be more erroneous or harmful than to appraise the prospects for the solution of this problem from the viewpoint of past events, without taking into account numerous new elements which not only warrant hope for its positive solution in the future, but — which is even more remarkable — directly create conditions for such a solution and lead towards it.

During the cold war no constructive approach to the disarmament problem could be imagined. Moreover, the aspirations of mankind for peace through disarmament were extensively turned to account for instigating cold war. Although elements from the cold war period are still to be detected in the approach to the question of disarmament, the general conditions for a more constructive approach have essentially changed and promise a more efficacious solution of that question. It was clear even previously that the question of disarmament could not be successfully solved until the world generally accepts the principles of the peaceful settlement of disputes and of the equality of nations, until the use of force for the achievement of any aims at the expense of other countries is effectively condemned and eliminated and until the principle of active coexistence has become the starting point of international policy. These same principles have lately been increasingly recognized in international relations. There is not a single country in the world today, whether big or small, which would venture to propagate war as a method for settling international disputes and which would realistically count on war as a means for realizing its political aims. Thus the long history of the question of disarmament saw for the first time the creation of conditions and possibilities for effective initial steps towards actual disarmament.

The circumstances which prevented an agreement on disarmament — despite such favourable conditions and objective possibilities — are varied. One of the main reasons lies in the fact that the so-called „big power conception“ has prevailed so far in the consideration of this problem. According to this conception the great powers have both the responsibility and the right to solve this problem, although by its nature it is a world and international problem and therefore should be solved by the United Nations as a whole. International confidence, which is likewise one of the principal conditions for an effective approach to the disarmament problem, has reached such a stage in world proportions that at least some initial agreements on this question might be concluded. However, the creation of the necessary climate of confidence among the great powers is evolving relatively more slowly, leaving the impression that it lags behind the general growth of confidence in the world. Beside the approach of the great powers to the disarmament question is in the greatest measure burdened by formulae from the cold war period. Briefly, „the big power conception“ of the question of disarmament, actually the attitude of leaving the settlement of this world question — which is of vital significance for the entire mankind — exclusively to the great powers, has proved a serious check to actual progress.

A correct understanding of this obstacle standing in the way of realistic achievements in the solution of this question was expressed at the last (tenth) session of the General Assembly. The inactivity of the Disarmament Commission, which, as is known, includes also in addition to the great powers and Canada, the non-permanent members of the Security Council — and the complete abandonment of this matter to the Sub-Committee, consisting of the four big powers and Canada, were subjected to sharp criticism by many delegations. This was taken into account by the Commission for Disarmament when it met in the second half of January to implement the decisions of the Tenth Session of the General Assembly. The Commission unanimously decided that the Sub-Committee for Disarmament should meet as soon as possible, begin work, and submit a report to the Commission after a six-week activity. It is assumed that after this first report the Sub-Committee will be allowed more time for examining the question, if justified hope and definite perspectives exist for its success. If not, the Commission itself will begin to examine the disarmament problem. It is reckoned that the Commission will receive the first report in the second half of May this year.

There is no doubt that great responsibility for the solution of this fundamental world problem will rest with the great powers, and that success in the forthcoming efforts will depend on them to a great extent. However, the growing role and strengthened authority of the United Nations Organization generally, as well as its increased responsibility and competence in the settlement of the question of disarmament itself, will undoubtedly have a positive effect on its efficacious solution. All this also speaks in favour of the increased activity and influence of small and medium countries on this international question of vital significance in the positive solution of which these countries are specially interested because of their position.

In such a situation, ever greater tasks are confronting all the UN member states, especially the non-permanent members of the Security Council who are at the same time members of the Disarmament Commission. Their responsibility for the positive contribution to the solution of the disarmament problem is becoming greater and greater.



THE GREEK ELECTIONS

THE Greek parliamentary elections held on February 19 divided the electorate in two groups of almost equal strength, thus seriously reducing the former Government majority in Parliament and increasing internal political dissension. After gauging the feelings of the Greek public, the leaders of the National Radical Union discovered the unpleasant fact that although afforded notable advantages by the new electoral system, they are opposed by the majority of voters. The intricate electoral procedure the Government succeeded in enacting two months ago made possible the victory of the ruling Radical Union although it received less votes than the opposing Democratic Union coalition. Nevertheless, the Radicals emerged from the elections as the strongest Greek Party, in view of the heterogeneous character of the opposition coalition which was only united by the joint election ticket.

The causes which led to the appreciable strengthening of the opposition may be attributed to the internal political and economic conditions, although certain factors of foreign policy exerted also a similar influence in this respect. The latest Greek government inherited from its predecessors a spate of unsolved economic problems which, as stated by premier Karamanlis, could not be resolved owing to the short timespan and preparations for the elections. At any rate, the votes cast for the opposition coalition doubtless include a large share of the 200,000 unemployed as well as the 1 to 1.5 million under-employed persons whose hopes in the improvement of their living conditions during the past few years have remained unfulfilled.

In the same way, the ever stronger symptoms of inflation which the government measures failed to curb so far led to the decline of the votes formerly cast in favour of the Government party. Owing to the rising cost of living workers and employees demanded wage and salary increases and organised strikes on several occasions of late, so that it was in this frame of mind that they went to the polls, i. e. disappointed with the economic measures taken by the Government so far. In view of such tendencies among the poorer strata, at the first press conference held after the elections Karamanlis promised to devote greater attention to this section of the population.

The Cyprus problem also influenced the trend of voting to a certain extent. The demands for union with Greece and the British measures on this island called forth a considerable degree of antagonism towards British policy among the population at the climax of the election campaign. Attributing the failure of the campaign for the incorporation of Cyprus to Karamanlis or at

least blaming him for not having taken a sufficiently resolute attitude towards the British on this problem, one part of the former Government supporters voted for the opposition. This mood of the electorate is also reflected in the increasingly frequent criticism of Government policy towards NATO, the exclusive orientation to the West at a time of international pacification which opens new vistas to smaller countries for broader international cooperation based on equal rights. All these reasons, in addition to a spate of local motives, resulted in the fact that more Greeks voted for the opposition than for the ruling party (the great majority of women who voted for the first time on the occasion cast their ballots for the Radical Union). Thanks to the intricate election procedure the Radicals nevertheless received the majority of votes so that they have 163 seats in Parliament as compared to 135 for the opposition, (the former ratio being 243 to 57).

However the position of the Radicals began improving as soon as the elections were over. This was due to the disbandment of the opposition coalition groups whose leaders began defecting after having failed to win the parliamentary majority. Rumours were heard that Papapolitis, Progressive Centre Union (EPEK) with about ten mandates may join the Radical Union which already includes the former supporters of

the centre parties among its ranks. On behalf of one part of the opposition Venizelos demanded that these elections be annulled and a date for new elections fixed, affirming that the elections [were not carried out correctly in the army and in some constituencies.

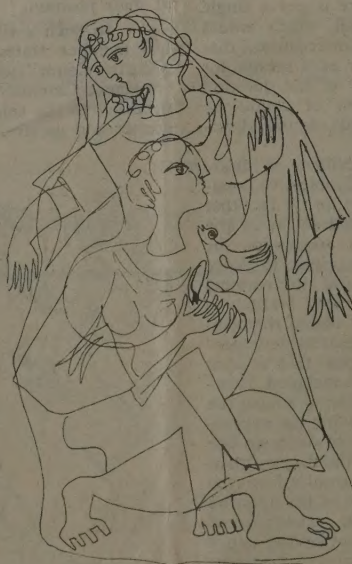
Venizelos' Liberal Democratic Union with about fifty seats, Cartalis' Democrat Party, which has about 40 seats in Parliament together with the Independent Group, and Papandreou's Liberal Party with about 30 seats represent the most powerful opposition groups. Regardless of the extent to which these opposition parties will be capable of joint undertakings in the new Parliament, their votes will always oblige the Government to pursue a cautious policy. Many symptoms indicate that Karamanlis is confronted by a period of compromise and patient consultation in Parliament in order to be able to implement his political and economic programme. It would seem, however, that a more resolute government effort aiming at the stabilisation of economic conditions and the alleviation of the most acute social problems would reduce the differences and antagonisms which prevail in the present Parliament.

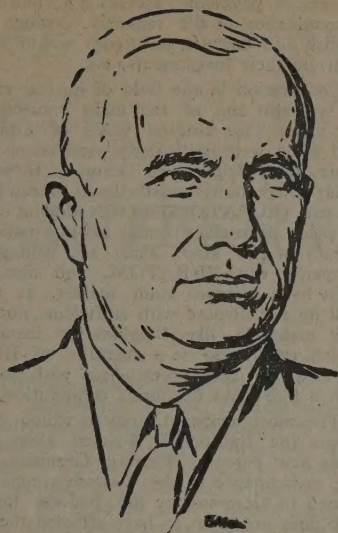
B. DIKIC

THE TWENTIETH CONGRESS OF THE SOVIET COMMUNIST PARTY

STUDYING the material from the Twentieth Congress of the Soviet Communist Party, one immediately notices that a change has taken place in the Soviet Union's views, both in the foreign and in the home political fields. It is true that every new conception must be tested in practice before any definite judgement can be passed on it, but it is equally true that radical changes in any country's conceptions create new conditions which make future developments in harmony with such changes possible. What was of particular importance at the Congress if one considers primarily its foreign political aspect — was that it created, just at the right moment, greater possibilities of rapprochement between politicians of opposing views.

The Twentieth Congress of the Soviet Party expressed the Soviet Union's readiness to negotiate agreements with foreign powers, and gave a definite theoretical, i. e. long term explanation to that readiness. The emphasis which it laid on the view that the danger of a war conflict between the „two camps” can be evaded and fully replaced by „peaceful economic competition” will, there is not doubt at all, meet with a great deal of response among the world public and so create a favourable climate for the resumption of international talks on outstanding problems. Once again the importance of an open — minded approach to disputable issues has been shown. Krushchev speaking about the disarmament problem said that the Soviet leaders were ready to approach the solving of the most difficult problem — the





N. Khrushchev

standard of living — to be too great. However, two positive facts must be borne in mind. First, the contemplated increases in consumer goods and, to a lesser extent, agricultural production will, nonetheless, be received by the Soviet citizen with a great deal of satisfaction, for they are quite realistically planned. Secondly, some reforms are to be carried out in industry (wage systems, production quotas and so on) which may increase the workers' interest in production and so raise their productivity.

It was said at the Congress that the Soviet Union wishes to become economically stronger than the most advanced capitalist countries. Many observers, however, are interested, not so much in whether and when this can be achieved, as in the possibilities for the development of fruitful international relations created by the proclamation of new ideas at the Congress. For such possibilities really exist. To what extent they will be taken advantage of will be one of the most important questions in the following decade.

If the significance of so important an event as the Twentieth Congress of the Soviet Communist Party is to be judged by what people from the „opposite side” say about it, one would have to conclude that the changes which came to expression during its sessions will greatly affect international life. For, even people who are most energetic in opposing the Soviet conceptions, like the American Secretary of State, Foster Dulles, for instance, admit that the ideas expressed at the Congress create new chances for a more peaceful development of international relations, as well as for the improvement of the living conditions of the Soviet population. (True, Dulles said this with so many „ifs”, that they change the original meaning of his statement). The London „Observer” is of the opinion that the Soviet Union might be „turning a new page” in its policy, and that many of its new conceptions are the product of a fresh analysis the Soviet leaders made both of the foreign political and of the home political and economic matters.

J. G.

POLITICAL UPHEAVALS IN GERMANY

THE events which followed the fall of Arnold's government in Düsseldorf confirmed the view that the causes and consequences of the change of government in Western Rhineland — Westphalia — should be sought in general political developments in the Federal Republic and not in local political combinations and conflicts which, in this case, were of a secondary importance. In only a few days' time a significant turn took place in the course of developments in Germany, which now heralds interesting changes towards a new distribution of forces and relations between the political parties. The long coalition of Adenauer's Christian Democratic Party and the Free Democrats was broken up and the coalition character of the Bonn Government ended, for those members of the Government who are not in the Christian Democratic Union represent small parties and groups which, in essential matters, do not differ from the ruling party's and the

Chancellor's policy. A split also occurred in the Parliamentary fraction of the Free Democrats due to the withdrawal from the Party of 16 deputies — followers of Adenauer's policy. That, however, was not of any great consequence in the Free Democratic Party, because most of the Party's deputies and organizations remained loyal to their federal leadership and to their chief, Deier, who is becoming a leading personality among the Free Democrats and who had been most bitterly opposed in the Party by the dissidents.

Although the existence of the Government itself is not directly endangered, the repercussions of the latest events, judging by all, are multifold and reveal that there are new tendencies in German political life as well as contradictions which divide the leading political groups. First of all, the well-nigh traditional relation of forces between the Government and the Opposition has been changed, because the third strongest party is now also in Opposition, whereby Adenauer's majority is lowered and the alliance of the largest civil parties against the Social Democrats shattered. Not only are the Leftists in Opposition, but also a powerful group of Liberals, who represent influential circles of the bourgeoisie and private capital whose ideas about Germany's future development are different from those of the Government.

The differences of opinion on how the foreign policy of the Federal Republic should be based and conducted, and the opposition against the tendency of the Christian Democrats to ensure, through new legislative acts, the strengthening of their own positions, were, without any doubt, the decisive causes of the split in the coalition government. The Free Democrats, although they are ideologically loyal to the Western world, demand a more flexible foreign policy which would make the re-unification of the country possible. They not only maintain that it is necessary to revise the treaties which now determine Western Germany's position and obligations in the Western bloc and so prevent the conclusion of an agreement on Germany with the East, but insist on a more active role of the Bonn Government in working for such an agreement. In this they even contemplate direct talks with Moscow, considering that the problem of German unification is not the concern of the Four Great Powers alone, and that the Germans themselves must now have a greater sway in the matter. Apart from this, the Liberals say that the Eastern markets, including China, are of great importance for German trade. With such views on this matter they stand very close to the ideas of the Social Democrats, although their motives and final aims are different. Even so, a potential possibility exists for their joint platform in foreign political matters, for they are in accord in criticizing the Government's tactics and methods used in seeking new ways for Germany's affirmation as an independent factor in European politics, in seeking a balance of forces which would not be based on the division of the German people. Whether such a joint platform will be taken or not can be said, because in other spheres, particularly in economy, the Social Democrats and the Liberals differ greatly, so that it is hard to believe that a compromise can be found which would satisfy the minimum requirements of both sides. The Social Democrats, who represent the interests of the workers and the trade unions, ask that the employers should accept

banning and control of atomic arms — stage by stage. He even said that the first stage in this process can be considered to have started (Eden's favourable reply, the statement the French Foreign Minister made at a press conference that a step-by-step rapprochement of views on disarmament and security could create the necessary pre-requisites also for the solving of other issues, particularly of the problem of Germany. The statements made at the Soviet Party Congress, therefore, cannot but strengthen the atmosphere of mutual understanding, without which no further improvements in international relations can even be thought of.

This atmosphere will further be strengthened by the condemnation of certain tendencies which, as many speakers at the Congress said, were harmful to Soviet society, state and politics. All such tendencies were, as they said, the product of the „cult of personality”, which had replaced the Leninist methods of work and government, and which lasted for a great number of years — from Lenin's death to a few years ago. It would, however, be wrong if on account of the „cult of personality”, whose condemnation now attracts so much attention observers were to neglect other remarks made at the Congress which are of a principled nature. The criticism which Anastas Mikoyan, for instance, addressed to the historians of the centre — who wish to be „more clever” than those in Kiev in the interpretation of certain historical events in the Ukraine — as well as to jurists, philosophers and other dogmatic theoreticians, is not a bit less important than the condemnation of the „cult of personality” itself.

In the directives which the Congress gave for the Sixth Five-Year Plan of development of the Soviet economy, the Soviet Union is presented to the world public as a power whose economy is finally breaking through its national boundaries, so that it is capable of entering the „peaceful race” with other nations. In this plan, too, priority is given to the development of the means of production. Some observers will now, just as earlier, consider the disproportion between its aims — the expansion of the heavy industries and the raising of the

definite conditions, and that social reforms — moderate in scope, it is true — should be carried out, all of which are opposed by the Liberals who protect the employer's interests. Perhaps the experiment with the Social-Democratic and Liberal coalition in Dusseldorf will show whether such a coalition could be made to work in a federal scope, the more so since the experiment is being put to test in a province which the centre of the German heavy industry is located, where the relations between the workers and capital are, to a great extent, decisive for the whole country.

In considering this problem one must take into consideration the fact that elections for a new Bundestag are approaching (they will be held next year). In these elections all parties will have to give equal attention to home and foreign policy — perhaps even more to the home political matters, unless some new problems in the international aspect of the German problem crop up in the meantime. The Government and the Opposition are obliged already to consider how their individual moves may affect the voters and their decision at the forthcoming elections. The position is becoming particularly complicated for the Government and the Christian Democrats, for from now on they will have to reckon with the opposition of many groups of politicians who might join hands in fighting the elections at least. Consequently, they will find it more difficult to struggle against the Opposition in the newly created conditions, particularly if the Government should fail to adopt new ideas and measures in the home and foreign political fields which might prove to be attractive to the voters. In any case, interesting new developments may take place in the life of the Federal Republic after the recent events.

J. ŽIVIC

ERHARD'S VISIT TO LONDON

THE one-week visit of the West German Minister for Economic Affairs Dr. Ludwig Erhard, to the British capital occurred at a time when both the Bonn and the London Governments deemed it highly desirable to exchange views and strengthen their mutual links. Owing to their economic difficulties, rising inflation, and dwindling dollar and gold reserves it is with a keen interest that the British welcomed Dr. Erhard who enjoys the reputation of having skilfully guided the German economy through all the post-war trials, avoided the pitfalls and dangers which upset the other West European economies and placed the West German mark and exports on an enviable level.

The West German Minister arrived in London after the most unpleasant event experienced by his government i. e. the fall of the Arnold government in Northern Rhine-Westphalia which appreciably weakened the Adenauer coalition. Although he is not faced with such difficulties as his British colleagues, Dr. Erhard nevertheless arrived in the restrained mood of political uncertainty in which he left the Chancellor.

These internal difficulties, although of different character were nevertheless sufficiently acute to call forth the mutual soli-

darity of Britain and Western Germany. In such an atmosphere Dr. Erhard held talks in London with the British Chancellor of the Exchequer, the Minister of Trade, and the Foreign Secretary as well as a number of other British officials and experts.



L. Erhard

It would seem that the British Chancellor of the Exchequer was gratified to hold consultations with Dr. Erhard. At a time when the gold and dollar reserves in the British treasury are dwindling the Bonn Government was in a position to announce the complete gold and dollar backing of the West German mark. Thanks to its rapid rate of expansion the West Germany industry embarked on the international economic competition with extremely favourable prospects so that the British were glad to negotiate certain joint steps with the Germans for this reason as well. The possibilities for the coordination of their activities on the Middle and Far Eastern markets and Latin America were primarily examined with the explanation that this would prevent the penetration of Soviet economic influence and that of the Eastern European countries. According to the example provided by the association of British, German and Greek firms which cooperate in the design and planning of the Assuan dam on the Nile, the path was prepared for the extension of such coordination in London which would cover the

leading banks of both countries, the conclusion of payments agreements, and the determination of the regions in which the British and German industries would concentrate their investments, etc.

Cooperation in the field of nuclear energy was also one of the main subjects of the talks. The kindred views of London and Bonn were particularly manifest on this score. Both Britain and Germany show similar reservations towards the European Pool Atomic (EURATOM) as they do not wish to place themselves under a supra-national agency of this kind. They are willing to cooperate with EURATOM, and also benefit by a common atom market, as they still do not dispose with sufficient nuclear raw materials, like Belgium for instance, which would also be a member of EURATOM. But they nevertheless wish to retain a free hand in atomic competition.

The most awkward problem which confronts the traditional Western allies and their new partner, Western Germany, on the maintenance of the Western troops stationed in Germany by the Federal Republic does not seem to have affected the atmosphere of the London talks. Britain apparently accepted the explanation that Bonn does not wish to continue paying expenses for the maintenance of Western troops (the outlay involved would amount to approximately 560 million dollars this year) and agreed that this outstanding question be examined at the forthcoming talks in Bonn.

Further steps aiming at a rapprochement between Great Britain and Western Germany may reasonably be expected after Erhard's visit to London, particularly in the economic and financial sphere, hence assuming a contemporary aspect of cooperation among partners who, more from necessity than mutual understanding, suppressed mutual rivalry for the purpose of alleviating their own problems by common effort. This cooperation may yield favourable results in so far as it would be reflected in economic assistance to backward countries and regions, but it also implies inherent risks for the weaker of the two, as well as other potential partners in Europe and elsewhere, particularly the less developed countries when confronted by the unilateral conditions of the united British-German trusts.

B. D.



INTERNATIONAL ATOMIC AGENCY

Dr. J. ARNEJC

The conference of the twelve UN member countries on the preparation of the International Atom Agency statute is currently under way in Washington as foreseen by the Resolution adopted by the UN General Assembly at its Tenth Session. This meeting is significant because it is aimed at accelerating the somewhat protracted process of setting up a United Nations Agency for the peaceful use of atomic energy. Considerable time has passed since the first initiative for the establishment of such an Agency was taken by President Eisenhower already in December 1953, so that the original concept was also notably altered in the meantime. Meanwhile an international scientific conference was held on the peaceful uses of atomic energy in Geneva last year. This conference, unique by its spirit of cooperation, definitely confirmed the need to establish an international agency for the application of nuclear energy to the general benefit of mankind. Apart from revealing the progress made by the individual countries, particularly the big powers, in the field of nuclear research the conference also showed the great differences which prevail between the more developed and rich countries on the one hand and the poorer and less developed countries on the other. The necessity to narrow the broad gap between these two groups of countries is both obvious and undeniable at present: Everyone is aware that the eleventh hour has come to eliminate these disparities precisely by the use of atomic energy for peaceful purposes and to the benefit of all, or else the existing gap would increase by geometrical progression in the coming years if the prosperous, big and developed countries continued to develop at the present rate and the economically backward countries were neglected. Most representatives of the small and undeveloped countries expressed their firm conviction that it is possible to eliminate the differences which divide the world today in the sphere of nuclear energy and research with the assistance of the United Nations, i.e., through the creation of a world organisation which would be in a position to guarantee an even distribution of knowledge and the materials necessary for the mastery of this science and the application of its results for practical peacetime purposes.

In the meantime the original concept of the future agency underwent far-reaching and numerous changes. It is natural that Eisenhower's original initiative was adopted and sponsored by the US Government and the US delegation to the UN. The US Government invited some countries "which play an important part in the development of atomic energy" to cooperate and subsequently prepared a draft statute of the agency in conjunction with eight countries of its own choice. This statute was discussed at the Tenth session of the UN General Assembly. Needless to say, the development in international relations in general and in the field of nuclear energy in particular precluded the possibility that these arbitrarily chosen countries should determine the statute of the future agency by themselves without the participation of the other UN members selected on the basis of geographical or economic criteria. It would be both impossible and absurd that the aforementioned eight countries should draft the new statute of so important an agency by themselves, while all other countries would only have to adopt or reject it. Therefore the UN General Assembly increased to twelve the number of countries engaged in drafting the statute while requesting them at the same time to take into account the objections submitted by the individual governments as well as the general discussion in the General Assembly, i.e. its political committees. Thus the UN assumed an important role already in the initial stages of this new and specific world agency, this being inevitable if the agency is to be truly universal.

The representatives of the twelve countries chosen are confronted with a considerably complex and difficult task. The delegates of Australia, Belgium, Brazil, Czechoslovakia, France, India, the Union of South Africa, Canada, Portugal, the Soviet Union

and Great Britain should work out the acceptable principles which would be entered in the draft statute of the Atom Agency, some of these principles having been advanced subsequently at the Tenth Session of the General Assembly. This was the most important task of the Washington Conference as the draft of the text itself should not present any further difficulties if these principles are consistently applied to all articles of the draft statute. Among the more important principles on which the future Agency should be based one should primarily mention the question of the Agency's relationship towards the United Nations, as well as the problem of "inspection", and that of the composition and structure of its executive body and the actual powers of the agency itself.

It is superfluous to say that, in the opinion of all delegates to last year's UN session, the Agency must deal exclusively with the peaceful use of nuclear energy. The adoption of this single aim and purpose by the Agency will imply that all its future member countries have also tacitly assumed the obligation to respect the letter and spirit of the UN Charter and the statute of the world agency. Such a solemn obligation also imposes serious duties, while at the same time all but eliminating the need for rigorous inspection, as it is still not possible to ignore or reject such measures entirely at present.

There are certain signs which seem to indicate that the task of the new agency is still not quite clear to everyone. It is more than understandable that many countries, particularly those less developed would wish that the Agency, if closely connected with the United Nations, assume as many tasks as possible, and thus become something more than just an intermediary for the procurement of nuclear fuel and technical know-how. Many countries would like the Agency to have such fuels at its disposal, effect their distribution and assist the individual, primarily technically undeveloped countries in acquiring the necessary technical experience, hence enabling them to develop this new science. Perhaps, in the remote future such an agency would be able to create its own international scientific and research centres, and could play the role of intermediary in the allocation of technical and scientific assistance by the other more developed countries. Thus the agency could actually combine two functions: that of a bank for nuclear fuel and perhaps special nuclear material as well, and that of intermediary for the granting of technical and scientific assistance as well as the establishment of cooperation between the individual countries. The agency would have to be sufficiently flexible in this respect to take the initiative for the promotion of cooperation not only between all countries individually but also between groups of countries which would wish to cooperate in this way. This initiative would be all the easier as the Agency would be acquainted with the needs of the individual countries and thus coordinate their efforts, and also have the indispensable nuclear fuels and fissionable materials at its disposal. The gifts of fissionable materials which the USA, Great Britain and the Soviet Union declared themselves willing to donate would provide the necessary basis for these activities. Just as the endeavours of the small countries in the United Nations to ensure the extension of greater assistance for their economic development through the UN are entirely understandable, their wish to receive aid through the UN for the promotion of the peaceful use of nuclear energy is no less natural.

In reviewing these fundamental principles we must inevitably dwell on the most important of them all, i.e. the principle on which the relations of the Atom Agency and the United Nations should be based. All aspects and possible forms of these relations were discussed in the General Assembly, from its incorporation into the UN, to the possibility of investing it with a similar status as that of the specialised agencies. Comparison with the links of the existing international agencies with the UN could not lead to any concrete solutions, as the future Agency is invested with a specific purpose and significance. Although it is fundamentally a specialised

agency, engaged in the peaceful use of nuclear or atomic energy, it nevertheless transcends the framework of the specialised agencies, as it will cover all spheres of life and will do so to an even greater extent in the future. Nuclear power is invested with still incalculable and undreamed of possibilities of changes in all spheres of international and individual relations. It is therefore difficult to determine the main fields of activity of this agency today thus enhancing its specific character still further. The future activities of the agency should in fact be merged with the activities of the United Nations. Already at the present stage of nuclear science and its practical application it is clear that only three of the principal UN organs are competent to deal with this matter. Contemplating the work of the individual committees of the General Assembly, it would be difficult to find a single committee which would not be competent to deal with some aspect of this problem in one way or other. The Political Committee is already discussing the problem of creating the Atom Agency which is primarily a political problem. But it is no less an economic problem at the same time, particularly in the light of the economic advancement of the insufficiently developed countries. The Social, Humanitarian and Cultural Committee includes the problem of radiation and its consequences within its scope of competence as well as the future social consequences which will inevitably derive from the use of nuclear energy. The Trusteeship Committee is also indirectly concerned with this problem in view of the fact that the territories under trusteeship contain rich deposits of nuclear raw materials, while the use of atomic energy may well enable a more rapid advancement of the peoples under trusteeship towards the acquisition of self-government and sovereignty. The Legal Committee could already begin with the study of international provisions for the protection of the population as well as the regulation of the use and handling of fissionable material. All UN bodies could take practical part in the work of the Agency already in its initial stages, which is also true of all specialised agencies. It would therefore be natural if this task were assumed in one form or another by the UN General Assembly itself.

This does not imply that the General Assembly should assume the direct management of the Agency, but only that it would be necessary to establish a close cooperation between both bodies in the field of common activities. It is impossible to foresee the further mutual relations at present, as even the statute of the new agency is not known yet. As it is impossible to foresee all the problems which will ensue from the future use of atomic energy, provision should be made for subsequent changes in the relations between the Agency and the United Nations. For the time being it would only be possible to foresee and create the necessary degree of cooperation as regards the planning and shaping of general policies. The further theoretical elaboration of the relations between the United Nations and the Atom Agency would be pure conjecture. Under the conditions that prevail and the present relations in the sphere of nuclear energy such a proposal is realistic, practicable and acceptable both for developed and insufficiently developed countries.

The big powers would doubtless wish that their advantages in the field of nuclear energy be particularly manifest and retain a certain degree of control over the use of the materials which

they would make available to the Agency, thus influencing the further development of this new branch of science on a world scale. This could be ensured through the Agency and the United Nations, while the smaller countries would be more willing to accept this dispensation as it comes through the UN. Under such conditions many smaller and less developed countries would no longer hesitate to consent to some kind of inspection in so far as the latter would be established in order to comply with the legal provisions of those countries which donate or loan fissionable materials. Cooperation within such a new agency does not prevent the countries already committed by bilateral agreements from taking part in it, as it does not release them from the obligation accepted by such instruments. Conversely, membership in the Agency would not prevent the conclusion of bilateral agreements or other arrangements in accordance with the principles laid down by the UN Charter. In this way it would be possible to adjust some rigid national legislations on atomic energy so as to coordinate them with cooperation in the international Atom Agency provided the latter is linked to the United Nations and corresponds to the principles of cooperation based on the UN Charter.

It would also be possible, when setting up the executive organ of the Agency to take into account the principles on which the other UN bodies were organised. It would doubtless be impossible to ignore the actual situation in nuclear science during the initial stages of the Agency as the very fact that some countries dispose both with the necessary materials and know-how resulted in a certain degree of inequality. This inequality would inevitably be enhanced by the fact that the other countries must apply to these powers for material and technical assistance and it is therefore inevitable that the latter should be represented in the executive body of the Agency. However, a correct geographical division based on comparative development levels in individual regions would ensure a more democratic distribution of seats in the executive organ of the Agency. In order to achieve a better geographical distribution of seats it would be necessary to increase the number of members of the executive organ foreseen, in view of the fact that UN membership has likewise been augmented by the admission of new members. It would be impossible not to recognise the present situation in the establishment of the Agency and the drafting of its Statute and it should therefore not be expected that all the objections and comments submitted by the representative of many countries at the latest UN session with view to improving the statute will be taken into account. The representatives of many countries have expressed the correct opinion that every initial statute can only be temporary, not only because experience in this field is still lacking, but also owing to the impossibility of foreseeing the development of nuclear science. Needless to say, the mastery of nuclear science and experience by the smaller and less developed countries will notably contribute to the change of relations and conditions in the sphere of nuclear energy, thus requiring the subsequent modification of the initial statute. It is obvious today that the United Nations should deal seriously with this problem and assume the principal role in and supervision of the further development of nuclear energy, while guiding international cooperation to the benefit of mankind and the strengthening of world peace.

RACIAL DISCRIMINATION AND ELECTIONS IN THE USA

Stojan KOVAČEVIĆ

TWO recent events: the slaying of a Negro youth in Mississippi and the non admission of Autherine Lucy, a Negro by origin, to the University of Alabama, have again confronted the American public with the problem of race discrimination. The case of Autherine Lucy received notable publicity while acquiring broader political significance under the present circumstances in view of this year's presidential elections.

The problem of racial discrimination is not new in the United States of America, nor so simple as it may seem at first sight. The problem dates back to the first slaves shipped from Africa between the sixteenth and beginning of the nineteenth century to work on the vast cotton, corn and other plantations, mainly on the

South of the country. Initially farm labourers, the Negro slaves were subsequently employed also as domestic servants. They did all the housework and even took care of the children of their white masters. Although actually waged for entirely different reasons, the American Civil War in the middle of the nineteenth century was also conducted under the slogan of abolishment of slavery. After the victory of the North, the Negroes were proclaimed full-fledged American citizens, equal before the law with their white compatriots. In point of fact their status was not much changed, particularly in the "Deep South" where owing to the conjunction of the conservative elements from the North and the former slave owners from the South, racial discrimination prevailed for a long

time to come continuing to this very day notwithstanding the constitutional provision on equal rights.

Speaking of racial discrimination in the USA, one usually refers to the Negroes as the most numerous, although some other ethnical groups (Chinese, Porto-Ricans, Mexicans etc.) are also subjected to it. It is estimated that there are over 15 million Negroes in America today or almost 10% of the population. The vast majority of Negroes (77%) inhabits the South, although a stronger migration of Negroes to other parts of the country was noted during the past few decades. Their share in the individual Southern states varies from 15 to almost 50% of the total number of inhabitants. (Mississippi 49.2, South Carolina 42.9 etc.) In seventeen states (Maryland, Delaware, Virginia, West Virginia, South Carolina, North Carolina, Georgia, Alabama, Florida, Mississippi, Kentucky, Tennessee, Missouri, Arkansas, Louisiana, Oklahoma and Texas) race discrimination, primarily in the form of segregation in schools, is invested with a legal basis. Segregation in one form or other is legally tolerated in four other states while discrimination is legally prohibited in all other states. Segregation in schools is not the only form of discrimination as it also appears in the form of non-admission to certain hotels, restaurants and other public premises, exclusion from certain residential districts, inequality of working conditions and employment, segregation on public transport vehicles etc. It should be stressed in this connexion that the federal laws and the Constitution grant equal rights to all citizens. Moreover, no federal administration, either Republican or Democrat, supported racial discrimination. The latter remained as a heritage of the past and was maintained owing to the specific conditions in the former slave-owning states. Many Americans have long since realised how harmful discrimination is to the prestige of their country, particularly at present when America plays so important a part on the international scene. Significant measures against racial discrimination were already taken under the Roosevelt administration particularly in the sector under the exclusive jurisdiction of the federal government, i.e. steps were taken towards the abolishment of segregation in the army, the guarantee of terms of employment, legal restrictions of Negro suffrage were abolished (although some provisions which actually aim at the restriction of the Negro vote are still valid in some Southern states, etc.) The Truman Administration also continued along the same lines having definitely abolished segregation in the army, made notable headway towards the removal of discriminatory practices in the allocation of government contracts and employment, promoted some Negro officers to senior ranks, etc. This tendency was particularly manifest during the Korean war.

The alliance of the reactionary elements from the North and the former slave owners from the South in the past found its „legal“ justification for the maintenance of racial discrimination. According to the Thirteenth amendment of the U. S. Constitution all citizens are equal. However, the formula „equal but segregated“ was devised which allegedly did not violate the constitutional principle of equality. Such a conception would have been legally untenable if the Supreme Court, which is exclusively competent to assess whether a law is constitutional or not, had not under the influence of conservative forces backed the „equal but segregated“ principle for decades.

The socio-economic conditions in the Southern parts of the United States which were the strongpoints of racial discrimination are gradually disappearing. After their formal liberation many slaves were actually placed in a worse position economically than before. They became the poorest stratum of American society, and have on the whole remained thus today although under different conditions of course. The industrialisation of the regions with a dense Negro population also changed their position. According to US statistical data, 10.6% Negroes were employed in industry in 1910; twenty years later this ratio rose to 18.6% while rising to 29% in 1947. There were 2.5 million Negro children in elementary and secondary schools in 1950; almost a third of the Negroes over 65 years of age were illiterate, while only 4% of Negroes under 24 years of age were illiterate.

Today several distinguished Southern politicians are the leading opponents of de-segregation by trading heavily on the backwardness and traditional prejudices of the white population. While the emotional factor is the most important among the backward masses of the Southern whites, the attitude of the politicians is actually based on definite political interests. Namely, by fanning racial hatred among their white electorate and by terrorising the Negroes they ensure their political influence and monopoly over the seats in the Senate and Congress of their states. In this way they ensure, almost exclusively through the Democratic party, their influence on a national scale on a predominantly conservative basis. Hence the Democratic victory on a national scale was always dependent to a large extent on the attitude of the Southern politicians. It is a paradox of American policy that although inspired by more liberal conceptions on the whole, the Democra-

tic Party is more conservative than the Republican as regards the racial issue. At every Party Congress the Democrats from the North and other parts of the country wage a struggle with their Southern Party colleagues on the issue of racial discrimination. The racial problem is extremely important for the Northern Democrats primarily owing to considerations of party policy. The vast majority of the urban negro population in the North traditionally votes for Democrat candidates. The Negro population in the Northern cities as well as the other working people are strongly attracted by the liberal programmes of the Democratic candidates. The circumstance that the Party as a whole is not a champion of the struggle for the abolishment of racial discrimination did not until recently have so strong an effect as to deprive the programmes of their attractive power. It would seem, however, that things have changed of late in this respect. The publicity given to the recent outbreaks of racial discrimination in the South, and the shocked disapproval of the greater part of the American public opinion, as well as the steady growth of elements which undermine the social and economic basis of racial discrimination, have rendered the Democrat party highly susceptible on this issue.

The historical decision of the Federal Supreme Court of May 17, 1954 on the abolishment of segregation in schools, proclaiming it anti-constitutional, put an end to the juridical justification of racial discrimination. Aware of the complicated historical, social, economic and political considerations involved the Supreme Court did not immediately adopt a strong course of action aiming at the abolishment of discriminatory measures by means of state enforcement, leaving it at the discretion of local courts to implement this principled decision as the occasion arises. Nonetheless, this decision was immensely significant. The process of de-segregation was immediately initiated without any enforcement measures in the District of Columbia (where Federal authority is invested with broad competence), and segregation was wholly abolished so to say without any difficulty; integration began in seven out of seventeen states; in four states the decision of local courts is pending (which is known in advance). Only six states offered resistance to the decision of the Federal Court. This opposition acquired various forms which ranged from recourse to legal loopholes, to open refusal to comply with the decision. Some of these states proclaimed the decisions of the Federal Supreme Court null and void.

All this testifies to the fact that the Supreme Court decision and ensuing rulings of the junior courts dealt a serious blow to racial discrimination, although the Federation still does not contemplate the implementation of stronger measures.

Under the present conditions the Democrat Party is placed in a most unfavourable situation. Owing to its already mentioned dependence on the South, it would have been far better if the racial issue had not arisen in so acute a form of late. The example of California eloquently illustrates the state of affairs within the Democrat Party. The primary elections scheduled soon in this state could serve as an indicator for the prospects of Adlai Stevenson and Senator Kefauver for the nomination as Democrat Party candidate. Until recently Stevenson had far better prospects than his opponent. His recent statement against enforcement of measures in connexion with the opposition to de-segregation notably weakened his position in California, in spite of his principled statement against racial discrimination. Kefauver, however, declared himself in favour of stronger measures and thus boosted his popularity. Potential presidential nominee Harriman has also declared himself in favour of stronger measures. The Northern Democratic leaders urged the Party leadership to take a stand against the resistance extended on the South, fearing an adverse reaction among their Negro voters. The party leadership is in a difficult position because, judging by all appearances, an agreement was reached between Stevenson and the Southern politicians to support him at the Party Congress. It is understandable therefore that the Southerners asked Stevenson for certain guarantees as regards his racial policy. Some distinguished Democratic politicians (including Stevenson himself), aware of the dangers involved by the discussion of the racial issue in the election year, invited their Party colleagues, particularly the ambitious nomination seekers, as well as the Republicans to omit this issue from the election campaign. For the time being, it cannot be said that these appeals met with any response whatever. On the contrary, the Republican Party propaganda machine lays particular stress on this issue. The recent attack launched by Vice-President Nixon had a considerable effect and was not in the least diminished by the more moderate statement of President Eisenhower as regards the enforcement of strong measures. The possibility of a breach within the Democrat ranks is not precluded in political circles in case the racial problem should remain on the agenda until the elections. This could have an extremely adverse effect on the election prospects of the Democratic candidate, even if Eisenhower decides not to run for the second time.

ECONOMIC ASSISTANCE TO UNDERDEVELOPED COUNTRIES — A NECESSITY OF THE TIME

B. KIČOVIĆ

NO problem of the present-day world is so important both economically and politically as the problem of assistance to underdeveloped countries. The unequal economic development of individual regions, which at one time enabled some countries to amass wealth through the backwardness, poverty and want of others, is a danger to the natural progress of humanity, which is, in spite of all objective and subjective barriers, a single whole. The delicate nature of the problem and the necessity to solve it soon become evident if we take into consideration the present conditions in the underdeveloped areas and regions and the gap which separates them from the advanced countries.

GREAT DIFFERENCES IN PER-CAPITA INCOME

The underdeveloped areas cover not only individual countries and regions but entire continents. These are, with a few small exceptions, Asia, Africa and South America, on whose vast expanses live nearly one billion six hundred million people (two thirds of the total world population). Data on the yearly per-capita income in the world show the economic, and, through them, also other differences between the economically underdeveloped and the advanced regions. The United Nations statisticians have shown that the yearly per-capita income in underdeveloped areas, even in places where it is not so low, is about one hundred dollars. However, there are many countries of Asia and Africa (two thirds) in which it is even lower, amounting to about fifty dollars only. For instance, it is only a little more than 30 dollars in Ethiopia, 17 in Ruanda—Urundi, 37 in the Belgian Congo, 46 in Kenya, and 50 in Northern Rhodesia. In most of the Asian countries the yearly per capita income does not exceed 85 dollars. In the advanced countries, however, it is between 450 to 1,000 dollars (West European countries, Canada, Australia and New Zealand), and in the United States it is even higher.

This difference becomes even more marked when one considers how small is the share of the underdeveloped countries in the total world product. A half of the human race, which lives in Asia, today contributes only about 10% of the world product. Africa, with a population representing 7.5% of the world population, contributes only 2%, the Middle East — 4% of the world population — 1.5%, and the South American countries, whose inhabitants make up 7% of the human race, about 4.5% of this product. As we see, two thirds of the world produce only 20%, while the United States and Canada alone contribute 43%, and Europe and the Soviet Union a further 40% of the world product.

These figures, however, do not wholly show the gap which divides the underdeveloped from the advanced countries. The economic backwardness of individual regions produces serious consequences in all fields of their life. Accordingly, great and variable are the difficulties which they have to overcome in order to settle their problems and improve their living conditions.

The fundamental and essential problems which they face are those which arise from the structure of their economies, i.e. those the solution of which will demand considerable funds and financial efforts. The fact that industrial development, without which no progress in any country can even be contemplated, requires first of all a well developed energetic base and transport. In some regions, however power resources and transport are only beginning to be developed now. According to United Nations data, the total world electro-energy production in 1951 amounted to 1,139 billion kilowatt-hours. Of this total 1068.5 billion kilowatt-hours, or 93%, were produced by the advanced countries, and only 77.5 billion, or 6.8%, by the underdeveloped countries. Consequently, industrial development in the underdeveloped countries is made more difficult. On the other hand, there are other difficulties which retard their industrialization, such as low national incomes, shortages or inefficiency of institutions which should develop qualified work and ensure funds for investment in industry. Further, they encounter

difficulties which are the consequences of the disparity between the productive and unproductive parts of their population, of their population growth and of the increases of their national income in general, difficulties which arise from their way of life, habits and cultural backwardness. We must mention here also the difficulties caused by the unsettled political conditions prevailing in individual underdeveloped countries. In addition to these internal difficulties, the underdeveloped countries encounter also numerous external ones. The origin of these difficulties is to be found in their dependence on the advanced countries for supplies of equipment and technical and scientific personnel and in the conscious resistance of the advanced countries against the industrialization of backward areas and so on.

All these difficulties have deep historical roots, as they are the result of colonialism and exploitation the remnants of which are still visible in various forms. In the course of World War II already great changes were being prepared in the undeveloped regions, particularly in Asia and Africa, which after the war were manifested through the appearance of a large number of new independent states, through more resolute demands of dependent and colonial peoples for freedom and independent life, through the all-round affirmation of a number of these countries — India and other members of the Colombo Plan, in Asia, and Egypt in Africa, for instance — in the international sphere. The international role of these countries, their political significance in international relations, and their participation in the struggle for the preservation of peace, are constantly increasing. They are aware that they can consolidate their national and political independence only if they lay down firm foundations for their quick economic development. Therefore, at home they concentrate all available forces on industrialization, and abroad on the struggle for peace, for peace is the basic prerequisite for their progress. The results of these endeavours are visible already, and were achieved mostly by the efforts of the countries concerned. However, we must not underestimate the aid they received from abroad — technical assistance of the United Nations and its specialized agencies, loans of the International Bank, investments of private capital, various forms of assistance from the United States and the Colombo Plan. But the assistance granted so far was not sufficient, for the advanced countries themselves have in the meantime progressed still further, so that the relations of the economic forces in the world have not been changed to any great extent. At present it is evident to all that the underdeveloped countries, in spite of their wealthy resources, will not by themselves be able to develop their productive forces and solve their economic and other problems in the near future.



This state of affairs is one of the sources of various conflicts and the chief obstruction to the future development of the world market as a whole, because it retards the progress of the advanced countries themselves. Now that individual countries have so great an industrial production that it cannot be wholly absorbed at home, they are seeking foreign markets. And the fact that the consumption of the markets in the underdeveloped regions, i. e. two thirds of the world, is restricted gives rise to economic difficulties in the highly developed countries too. Consequently, economic assistance to underdeveloped countries is essential if the prosperity of the economically advanced countries is to be ensured. The awareness of this is rapidly spreading all over the world, and there is almost no one today who would dare to oppose its importance openly, or use the „arguments“ of the cold war to push it into the background. There are, however, two opposing views as to how this problem should be solved — one which is in accord with the contemporary development of mankind and the struggle to preserve peace, and the other which does not pay due attention to these considerations.

THE GREAT POWERS AND THE UNDERDEVELOPED COUNTRIES

The supporters of this latter view are mainly the great powers. They still consider economic assistance to underdeveloped countries to offer them a possibility of preserving the positions they now enjoy and to win another, i. e. a possibility of expanding their economic and thus also political hegemony. It is due to this, apart from other considerations, that the great powers, particularly the United States and Great Britain, have been opposing the proposed United Nations Special Fund through which development projects in underdeveloped countries would be financed. At its last year's meeting the General Assembly finally decided to form the Fund, but the opponents of the Fund refuse to contribute to it until an agreement on disarmament is reached. At the same time the advanced countries recommend the use of private capital and private initiative. Similarly, they demand that private capital should be allowed to work in accordance with old principles and methods. The underdeveloped countries, on the other hand, do not view such „assistance“ with favour, and they oppose it energetically, demanding that the tackling of the problem should be approached by the whole international community through the United Nations with full respect of the principles of the Charter.

ECONOMIC RIVALRY OF THE GREAT POWERS

Being aware that assistance to the underdeveloped countries cannot be evaded, the great powers, which appear as the chief world creditors, fight among themselves for the initiative in this sphere of international relations. This tendency had been noticed a long while ago, but it came to particular expression during the visit of the top Soviet leaders to India, Burma and Afghanistan, when it assumed greater proportions, developing almost into a race.

While in Asia the Soviet statesmen had much to say about technical and economic cooperation between the Soviet Union and the Asian countries. They expressed their readiness to assist India in the construction of a large iron and steel factory, to grant her technical assistance and to develop extensive economic cooperation, on a bilateral basis. Likewise, at the recent meeting of the United Nations Economic Commission for Asia and the Far East, which was held in Bangalore, India, the Soviet delegate stated that his government was ready to extend economic and technical assistance to the countries of Southeast Asia. Other East European countries — Czechoslovakia, Poland, Rumania — are beginning to appear in the markets of Southeast Asia as well.

In reply to these Soviet offers the Government of the United States has altered the volume of military and economic assistance to foreign countries. Instead of 2 billion dollars, as much as this assistance was to amount to, it recently asked the Congress to approve about 5 billion dollars for the purpose. Most of this expanded assistance is to be granted to the Southeast Asian countries. Commenting on this matter, the Daily News said: „For every factory the Russians promise we must promise two“. During their Washington talks, Eisenhower and Eden considered also the problem of economic assistance to underdeveloped countries. This is shown by their joint declaration, which promises such assistance.

In Africa, too, a similar process is under way. After Egypt's decision to purchase arms in Czechoslovakia there came the Soviet Union's offer to assist Egypt in the construction of the Assuan dam on the Nile, as well as to grant a loan of 30 million dollars to Liberia, while Eastern Germany recently undertook to build some power-generating plants in the Sudan in an exceptionally short period and under favourable terms. Rumania and the Lebanon concluded a trade agreement, and the Soviet Union signed a similar agreement with Yemen. Liberia has now decided to establish diplomatic and trade relations with the Soviet Union al-



though the Americans and the British have military bases on its territory.

In the West all these moves of the East European countries have been described as „undesirable infiltration“, and concrete counter measures are already being taken. Thus, for instance, the International Bank, which at first protracted talks and put forward various conditions, has granted its first loan to Egypt for the construction of the Assuan dam.

The Soviet Union and the other East European states, as well as Western Germany and even Japan, now show a great deal of interest in the countries of South America, which are said to be under the control of the United States. These countries appear in South America as serious competitors of the United States, where they do not come forward with mere promises but with concrete proposals and actions. In September of last year alone the Soviet Union and the East European countries concluded 19 trade agreements with the South American countries, under which the yearly value of trade exchanges will be nearly half a billion dollars. On the basis of these agreements the countries of Latin America will import from Eastern Europe various investment goods and export agricultural products and raw materials. It is clear that through these agreements the South American countries wish to enter the world market and to free themselves from the earlier one-sided influence. This was shown by the tour of the newly elected President of Brazil, Kubitschek, in Europe, where he talked with European leaders about economic cooperation and capital investment arrangements between his country and Europe.

This course of development made Lipmann, the well known American commentator, write the following passage: „I think that the time has passed when the West was the sole supplier of investment goods to other countries. The Soviet Union has now appeared in this sphere of activity, and the underdeveloped countries do not wish to disregard it, because they believe that they can gain much under conditions of competitive coexistence“.

The race of the great powers to secure as best positions in the markets of the underdeveloped regions as possible is not accidental. It is conditioned by a number of factors. It is partially the product of a process which has considerably developed. The underdeveloped countries expand gradually their action in the world market through the struggle of the great powers for new markets, on which they wish to sell their industrial products, invest capital and procure raw materials. This competition enables them also to free themselves from the exclusive influence of any single power, and to develop their economies in accordance with their own needs. We must say here that changes have taken and are taking place in underdeveloped countries which necessitate the giving up of the old methods that some powers earlier used in their relations with them.

However, this new trend in the development of economic competition between the great powers may produce some dangers if it should continue to be conducted exclusively within the scope of the blocs and outside the United Nations, if endeavours are continued to be made to include at all costs the underdeveloped countries of the world into the existing blocs. It is necessary to grant economic assistance to underdeveloped countries without any conditions, and to enable them to act freely in the world market. It is just as necessary to increase the role and initiative of the United Nations in this field. For it will be only through international financing under the control of the United Nations that it will be possible to find a just and correct solution to the problem of economic assistance to underdeveloped areas. And that in our day, which is characterized economically by the discovery of atomic energy, and politically by peaceful coexistence, is the necessity of the time.

NEW FEATURES IN THE YUGOSLAV POLITICAL SYSTEM

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EVERY analysis and assessment of the innovations a people succeeded in implementing in various spheres of economic, social, political and cultural life should necessarily be scientific, lest it be converted into a mere eulogy, panegyric, or naive utopia. First, no one has a monopoly over social creativeness. Every people can, profiting by the specific objective conditions of its development and the power of its internal vitality enrich its own and general history by major or minor, lasting or temporary achievements. This does not imply a negation of certain general abilities and specific national characteristics of individual peoples, i. e. the differences in the inventiveness and creative talent among various nations. These qualities are not always manifest at all times and under all conditions, however. Once the most capable nations also had their crises and decline. This is unequivocally confirmed by world history. Second, every major creative achievement of a people does not belong exclusively to its creators, nor were they the only architects which made it possible. There are inherited and adopted elements in every major historical creation. Apart from this, new and progressive forms are not isolated from the general social development, they are a result and integral part of this progress. It is not possible for an institution which enriches the history of mankind to be isolated from the general level of social development which on its part allowed new and better results to be achieved in the most advanced sectors. Last, the major accomplishments in the sphere of social organisation and civilisation are a result of internal social forces, social, political and ideological struggle, the material development of society and other objective factors. Contemplated from without, the discovery and affirmation of these achievements is a result of human inventiveness, particularly that of gifted individuals. However essentially men are capable of discovering only that which is actually ripe for discovery, namely that which is created in social processes and in the fundamental social relations.

Every real revolution is an act of historical creativeness. This is primarily due to the fact that a revolution, primarily by means which appear necessary under given conditions, forcibly or „evolutively“ abolishes those institutions and relations which by maintaining a given social STATUS QUO also preserve internal social decay, deep social inequality, in capacities and all the artificial trends which keep a strange hold on the social organism and exhaust the indispensable vital reserves of a people. By liquidating these institutions and relations the revolution establishes new relations and forces and creates new institutions. It not only breaks up the framework of a petrified, closed and obsolete social and political system, but also opens ways and prospects for a freer and more real development of society. Under such conditions a new social basis is created and new motive forces surge forth thus ensuring both the material and architects for the creation of those forms and institutions which will correspond to the new society.

These general characteristics of the revolution were also confirmed in the process which marked the creation of the new Yugoslav political system. A people's revolution developed in Yugoslavia during the Liberation War against the occupying powers and fascism from 1941-1945, which was invested with a socialist character in view of its aspirations and the forces which carried it out. This revolutionary transformation wrought essential changes in the political system of pre-war Yugoslavia which affected both the form and substance of authority.

From the standpoint of pre-war Yugoslavia and the political history of the Yugoslav peoples, the Federal People's Republic of Yugoslavia represents a new political organisation. However, the novel elements were only relatively new, as in its initial phase the new political organisation was also inevitably formed as a classical

state, i. e. a relatively new form of the latter. However certain postulates of this political system are actually innovations invested with a general political significance, as the merger of the social and national revolution, the creation of an all-round political organisation of the people, i. e. the People's Front, the establishment of people's committees as the basis of the government system etc.

Every revolution and every social and political system deriving from the latter must yield a certain progress and benefit for the community as regards material welfare, freedom and human rights; otherwise the revolution loses its justification and its creative historical role. Truly the essence of the vital changes in the social and political development lies in the advancement of the material, political and spiritual life of society and human freedom. Every new and historically progressive class perfected the social system and increased human freedom, reducing the degree of human dependence on nature and social environment.

The socialist forces in Yugoslavia did not create a new state with the intention of eternalising it, but in order to enable the transition into what Bergson calls an „open society“ capable of developing towards the achievement of socialism. The essence of such a state, as stressed by Marx, consisted in that it should be novel, closer to the people, and the fact that it cannot remain the old „classical“ state. This change in the classic character of the state ensues from the necessity and tendencies of socialism to make possible, by means of the liberation of Man and the creation of really new forms of government, the transfer of an ever greater number of government functions in society to its free forces, i. e. the producer and active citizen. The basis for these changes lies in the very foundations of the state, namely in property relations and the status of the producer towards the means of production and the management of the social product.

Consequently the solution of this historic situation, or one of the solutions must imply a change in the ownership structure over means of production and the government machine.

Precisely this initial change in the structure of ownership and the position of the individual towards the material forces and resources of the community is the most important innovation in the Yugoslav political system. It is a signal victory of society and freedom when the nation assumes the ownership and management of the means of production and resources of the country after expropriating individual owners, particularly if the economic development and behaviour of these individuals have shown that their ownership over the resources of the community and their management of the latter implies the selfish destruction of this wealth in order to maintain a privileged minority on the one hand, and a poor and oppressed majority on the other. However, the nation in the form of a state cannot preserve this monopoly in the management of the means of production without developing certain bureaucratic tendencies, namely the acquisition of an ever greater independence by the managers which shows a tendency to become the ruling force in society.

Social ownership is a historically novel form of the legal regime governing the means of production. This not only implies the assumption that production directly caters to the needs of society, including the state itself, is invested any more with the right of ownership on the means of production and the products of human labour. This in fact confirms a new social relationship, that of man towards the means of production, thus marking the initial stages in the abolishment of exploitation and inequality between those who work and those who rule. According to these new social relations, the producer returns to the means of production and products from which he was alienated under all systems of

private ownership and that of state capitalism. "The return" to the means of production had a series of major economic, social and political consequences, but also called forth new difficulties.

Working on the social means of production the producer shows greater initiative, a stronger incentive to raise labour productivity and an increased interest in the factory, mines and other economic organisations which are not state, but common social "property". The producer acquires a new sense of dignity and independence and therefore becomes a freer man than before. Disposing with the means of production and taking part in the distribution of social products, the working people became stronger, more conscious and prepared exponents of political freedom and other fundamental human rights.

These changes also notably alter not only the previous forms of political and social systems but also the very nature of "classic etatism" Marx wrote of in his works.

Thus the working man who acquires new democratic and political rights becomes the mainstay of the social system and development parallel with the state in transition on the basis of social ownership over the means of production.

It is primarily the right of citizens to self-government which represents the fundamental principle of the social system. It implies the activation of the principle of the sovereignty of the people. However the conversion of this sovereignty from a passive and sometimes purely formal right necessitates a notable change in the political and government machine. These change were confirmed by the new Yugoslav Constitution of 1953 and the subsequent constitutional development. They are manifested by the following institutions and principles of the political system.

First, local self-government, particularly the self governing commune, represents the basis of the social and political system. Local self-government represents a mechanism which links the representative system of government with the forms of direct democracy where authority is changed to such an extent that it is entirely deprived of its classical character and withers away. In addition to the people's committees as the direct representative bodies, there are voters' meetings, referendums and other forms of direct participation of the citizens in the management of public affairs. The selfgoverning commune enjoys a broad legislative, executive and economic authority. It discharges all functions which are still vested in the government and semi-governmental institutions with the exception of those which are entrusted to the district as a local self governing community of the second degree, i. e. the People's Republic and the Federation, by the Constitution and law.

Second, the principle of parliamentary rule. The representative bodies are the basic government institutions. Both the legislative and executive function is vested in the latter. In addition, these bodies make the fundamental political decisions and outline the directives for the work of the executive and administrative organs. The basic executive authority is neither entrusted to individual officials nor to ministers and cabinets. This important function of authority is entrusted by the representative bodies to their executive organs, namely their executive councils, whose members are chosen from among people's deputies, as well as from among citizens in local communities. The executive political bodies, which are called Executive Boards or Councils are directly responsible to the assemblies and people's committees which are entitled to revoke them at any time. These bodies implement the laws, economic plans and other decisions of the people's assemblies and committees and are not entitled (this applies also to the Federal Executive Council) to enact decrees. The everyday enforcement of the law and the management of other administrative affairs is entrusted to the administrative organs in which permanent employees are employed. These administrative organs are responsible to the representative bodies and their executive organs from whom they receive directives for their work.

Third, all these representative bodies have two houses. Apart from the political, there is also the economic house or the producers' council. The producers' council is a representative body of all producers who are engaged in one form or other in socialist production, transport or trade. Almost all individual peasants who represent the vast majority of the rural population are eligible and entitled to elect to the producers' councils as members of different types of peasant cooperatives. By their status and character the producers' councils are new institutions in parliamentary history. They are invested with equal rights with the political house as regards all the most important, particularly the economic and social, problems. The right to representation is based on a new democratic principle, hence the classic liberal and classic political democratic principle of "one man, one vote" was replaced by the principle of socialist democracy according to which the producers are represented proportionately to their contribution in the creation of national income. Taken as a whole the workers' class is invested with a decisive role in the producers' councils as the socialised means of production in industry, transport and trade yield a far greater share of national income than the producers

working on individual and cooperative means of production. Last the producers' councils unite the political and economic sovereignty and enable the producer to take part in the enactment of the most important decisions for the distribution of the national income and the economic and social life of the community. They are not professional bodies in a new type of parliamentarism, but the political representative bodies of active producers which alter the structure and character of classic parliamentarism.

The second new right of the citizens is expressed in the principle of so-called social management in the field of education, culture, science, public health, social insurance and some other social services. Social management represents a new, higher form of self-government. The institutions engaged in these activities, schools, theatres, hospitals, social insurance offices and other institutions acquire independence, and are therefore completely or partly separated from government administration. These institutions are managed by so-called organs of social management, namely collective bodies consisting of men employed in these institutions and other citizens who, owing to their knowledge, ability and other qualities, are elected by representative bodies, voters' meetings, social organisations, vocational associations or other independent public forums. The principle of social management enables the withering away or at least a notable reduction of the state government functions in all important sectors of the life and development of the community.

Thus a mechanism has been created in Yugoslavia which began altering and already wrought notable changes in the classical state based on social ownership over the means of production and the new democratic rights of the working people. This is a political system which unites the elements and institutions of direct and indirect democracy with elements and institutions of free social management. The producer and the free man who draws his force and develops his consciousness from the new social solidarity created in a society which gradually enforces measures aiming at the elimination of exploitation of man by fellow man and implements the principle "to each according to his work and ability" is acquiring an increasingly decisive role. But this society has still not made sufficient progress in its material and spiritual development to be able to do without its various organisations and the state itself. Therefore the political organisations must necessarily be invested with the role of educator and organiser of collective social consciousness and individual interests. But, they are no longer institutions of the state apparatus nor a political party of the conventional type. They are associations of men with identical views, educators and initiators of social government and socialist orientation. The new role and character of these political organisations constitute characteristic phenomena in the social and political events of today. In view of these rights, the state mechanism will become a specific symbiosis of social and state government, a system in which various forms and institutions of self-government predominate. This new government mechanism has not been fully developed yet nor did it acquire all the necessary material and social conditions and a rational legal elaboration. Under conditions marked by comparative economic backwardness as well as internal economic and other disparities and contradictions, certain random tendencies inevitably exert their influence notwithstanding the conscious socialist factors, just as the individual struggle for livelihood, and for the affirmation and special development of the individual communes and other narrower communities cannot be entirely eliminated in spite of the social consciousness of the unity of interests and socialist morals.

Consequently, the gradual implementation in the political system of Yugoslavia as well as in other concrete similar systems of a new, better and liberating socialism is a new historical phenomenon which constitutes one of the dominant features in the present development of mankind, and an element of hope and social progress.



INDIA HAS A PLAN

K. S. MEHTA

INDIA wants to establish a „Socialist pattern of Society“. This bold experiment in social and economic development is of vital importance for under-developed Asia and Africa.

The „Socialist pattern of Society“ is to be achieved through a series of „FIVE YEAR PLANS“, democratically operated. The First Five Year Plan is just nearing completion. The draft outline of the Second Five Year Plan, released for publication by the Planning Commission of the Government of India, envisages an outlay of Rs 4800 crores in the public sector and Rs 2300 crores in the private sector.

OBJECTIVES: The Principal Objectives of the Second Plan are: a sizable increase in national income so as to raise the standard of living in the country; rapid industrialisation, with particular emphasis on basic industries; a large expansion of employment opportunities and reduction of inequalities in income and wealth and a more even distribution of economic power. The goal of „socialistic pattern of society“ will be the guiding factor in the Plan. The primary emphasis is on the industrial and mineral development and it is felt it will pave the way for rapid economic progress in the future.

Of the total outlay of Rs 4,800 crores in the public sector, industries and minerals together with transport and communications claim 48 per cent; irrigation and power 18 per cent; agriculture, including community programme and national extension, 12 per cent; and social services, including housing and rehabilitation of displaced persons, 20 per cent.

Achievements attained by the First Five Year Plan :

Listing the realizations of the first Plan, the draft outline says: Both agricultural and industrial production have recorded substantial increases. Prices have attained a reasonable level. The country's external accounts are virtually in balance. The important targets proposed in the First Plan have been realised and some of them have in fact been exceeded. Some 17 million acres of land have been brought under irrigation and the installed capacity for power generation has been increased from 2.3 million to 3.5 million kwts. Considerable progress has been made with the restoration of railways. A large number of industrial plants, both in the public and private sectors have gone into production.

On the whole, there is no doubt that the economy has been greatly strengthened.

The draft outline adds: „National income over the last five years is estimated to have risen by about 18 per cent as against the original expectation of about 11 per cent. Investment in the private sector has also been close to expectations. All this development has been achieved without excessive strains or imbalances developing in the economy. The First Plan has evoked a great deal of co-operation and participation on the part of the people. It has created an atmosphere of confidence and indeed, of heightened expectations“.

Dealing with the objectives of the Second Plan, the draft outline says that a significant increase in national income and a marked improvement in living standards can not be secured without a substantial increase in production and investment. „To this end, the building up of economic and social overheads, exploration and development of minerals and promotion of basic industries like steel, machine-building, coal and heavy chemicals are vital“.

For securing an advance simultaneously in all these directions, the available manpower and natural resources have to be used to the best advantage and in a country in which there is relative abundance of manpower, expansion of employment opportunities becomes an important objective in itself.

Further, the process and pattern of development should reflect certain basic social values and purposes. Development should result in a diminution of economic and social inequalities and should

be achieved through democratic means and processes. Dealing with employment opportunities the draft outline says that studies made in the Planning Commission indicated that, although the Second Plan would not have any significant impact on the carry-over of unemployment of the earlier period, it would provide employment opportunities for the new entrants in the labour-force and relieve under-employment in agriculture and in villages and small industries. The working force in mining and factory establishments, in building, in trade and transport and in services will increase relatively faster than in agriculture and related sectors.

As regards the achievement of the socialistic pattern of society — the objective of the economic policy of the Government of India — the draft outline says: „The basic criterion for determining the lines of advance is not private profit, but social gain. Major decisions regarding production distribution, consumption and investment and in fact the entire pattern of socioeconomic relationship must be made by agencies informed by social purpose. The benefits of economic development must accrue more and more to the relatively less privileged classes of society, and there should be a progressive reduction of the concentration of income, wealth, and economic power. For creating these conditions, the state has to take on heavy responsibilities as the principal agency speaking for and acting on behalf of the community as a whole.

The public sector has to expand rapidly and the private sector has to play its part within the framework of the comprehensive plan accepted by the community.

The draft outline says that the principal responsibility for mineral development must lie with the state. In the industrial field, new units producing basic capital goods and heavy machinery must be under public ownership and management.

In other industries, where Government assists substantially by providing long term finance, it should preferably offer equity participation, rather than loans on fixed interest. Enumeration and classification of industries to be placed in the various categories require close scrutiny and have to be decided upon in the light of practical requirements of each case. The point to emphasise is that the increasing role of the public sector and its duty to provide entrepreneurship and management over a wide field must be clearly recognised and action must be initiated to equip it for the efficient discharge of these responsibilities.

The draft describes the cottage and small industries as a crucial sector of Indian economy and says that the need to promote, modernise and re-organise these industries is paramount. But unregulated or haphazard application of modern techniques in all spheres of production is apt to create or aggravate technological unemployment and, therefore, conditions have to be created in which modern techniques can be adapted and introduced more and more in these lines of production and the transition should be orderly.

It suggests that it will be desirable to organise in rural areas community workshops where workers engaged in different types of industries can come together and carry on their production activities in suitable environment. It recommends encouragement of small and medium scale enterprises through a number of industrial estates with facilities for transport, power, and the like provided by public authorities.

„Special institutions“, the draft adds, „are needed for assistance to, and promotion of small businesses and a beginning has been made in this direction through the establishments of State Finance Corporations and the Central Small Industries Corporations. It may be necessary also to develop further institutions which could provide the nucleus for a properly organised new issue market, especially as a diminishing role is being envisaged for the managing agencies system.

For reducing inequalities of income and wealth, the draft refers to fiscal devices such as steeper progression in income tax,

increase of state duties, a small annual tax on wealth, taxation of higher incomes on the basis of expenditure rather than of income, and says: „Each of these proposals has to be examined in the light of its revenues, its administrative implications and the net contribution it makes to the objective in view, namely, the reduction in inequalities“.

The draft expects the national income to increase to Rs 10,800 crores in 1960—61, i. e. by about 25 per cent. This it is anticipated will result in an increase of about 18 per cent in per capita income (from Rs 280 in 1955—56 to Rs 330 in 1960—61) as compared to an increase of 10 per cent over the First Five Year Plan period (from Rs 255 to Rs 280). If the rate of increase in national income in the third and subsequent plan period is of the order of 25 per cent over five years as in the second plan, it will be possible to double the national income by 1967—68, that is, four years in advance of the time originally estimated.

Taking the public and private sectors together, investment in the economy over the second plan period works out as Rs 7,100 crore — Rs 4,800 crores in the public sector and Rs 2,300 crores in the private sector. A total investment of Rs 3,500 crores was envisaged in the First Plan, of this about a half was in the public sector. Of the Second Plan, the total investment envisaged is some 75 per cent larger than in the First Plan and the ratio of public to private investment works out at 62 : 38.

The total outlay of Rs 4,800 crores in the public sector has been distributed as follows for various development projects :

| | First five year plan (up to 1956) | Second plan (1st April 1956—61) |
|--|--------------------------------------|------------------------------------|
| 1) Agriculture and community development | Rs 372 crores (16%) | Rs 566 crores (12%) |
| 2) Irrigation and Flood Control | Rs 395 crores (17%) | Rs 458 crores (9%) |
| 3) Power | Rs 266 crores | Rs 440 crores |
| 4) Industries and Mining | Rs 179 crores | Rs 891 crores |
| 5) Transport and Communication | Rs 556 crores | Rs 1384 crores |
| 6) Social services: housing and rehabilitation | Rs 547 crores | Rs 946 crores |
| 7) Miscellaneous | Rs 41 crores | Rs 116 crores |
| TOTAL: | Rs 2356 crores | Rs 4800 crores |

For financing the Second Five Year Plan the draft estimates Rs 4400 crores to be raised as follows:

| | |
|---|---------------|
| 1) At existing rates of taxation | Rs 350 crores |
| 2) Additional taxation | „ 450 „ |
| 3) Borrowings from the public by way of loans | „ 750 „ |
| 4) Small savings | „ 500 „ |
| 5) Railways | „ 150 „ |
| 6) Provident fund and other deposit heads | „ 250 „ |
| 7) Foreign assistance | „ 800 „ |
| 8) Deficit financing | „ 1200 „ |

And leaves a gap of Rs 400 crores uncovered.

As regards the uncovered gap of Rs 400 crores, the draft says this has to come from domestic savings. But it adds: „It is not possible to indicate at this stage how this amount is to be raised.

The Commission calls for promotion of exports in view of the large foreign exchange requirements of the Plan, which are put at Rs 1350 crores. It says that it is desirable to nurture and develop markets for exports, such as jute, tea, cotton, textiles, and oilseeds.

About Rs 200 crores are proposed to be withdrawn from India's accumulated sterling balances. After this withdrawal India's sterling balances are expected to stand at Rs 500 crores at the end of the Second plan. This sum is regarded as the minimum necessary for enabling the country to tide over temporary balance of payments difficulties.

The draft anticipates foreign investment in India to the extent of Rs 100 crores during the Second plan period as against the net inflow of Rs 70 crores during the First plan period.

The Planning Commission feels that the gap of Rs 800 crores in foreign exchange resources can be bridged only by external assistance from International agencies and assistance obtained on a Government to Government basis.

The draft plan adds: „Programmes abroad for disposal of agricultural surpluses offer an opportunity for a greater flow of assistance. All these factors add up to a reasonable prospect of external assistance being available on a larger scale than in the past. Nonetheless, this is a field where uncertainties in the estimation of foreign exchange requirements and in the availability of external resources necessitate a periodic and continuous review of needs and possibilities“.

ECONOMIC AGREEMENTS WITH EAST-EUROPEAN COUNTRIES AND CHINA

OUR relations with the Soviet Union and other East European countries since their normalization in 1955 differ greatly from those we maintained with them from the end of the war to 1948. Even during the normalization of these relations there were two different phases of development. In the first phase compensation agreements were initially concluded (towards the end of 1954), and some time later first trade and payments agreements also. At that time no outstanding issues from the earlier economic contracts were raised. The second phase in the normalization of our relations with the East-European countries began after the publication of the Tito—Bulganin Belgrade Declaration, which created the necessary pre conditions for the settlement of other matters outstanding between our countries. Soon afterwards the Soviet Union announced its readiness to cancel all our mutual claims and obligations. Thus, our debts to the Soviet Union, which amounted to about 90 million dollars, were written off. Towards the end of 1955 and at the beginning of 1956 trade agreements for 1956 were concluded with some East European countries, and at the same time talks were conducted on the settlement of the disputed economic problems from the earlier period. This proved to be of mutual benefit, for it was found possible to conclude also credit arrangements and agreements on scientific and technical cooperation.

A series of economic instruments have so far been signed between our country and the Soviet Union, Poland, Rumania, Al-

bania, Czechoslovakia and China. The only East European country with which we have not concluded a trade agreement for 1956 is Hungary, because we were unable to agree on our claims from the earlier agreements and contracts. Likewise, we have no economic arrangements for 1956 with Eastern Germany, and trade with that country is still conducted on the basis of the compensation agreements concluded in 1954 and 1955 by the Chambers of Foreign Trade from the two countries.

Of all these agreements those with the Soviet Union, Poland and Czechoslovakia are most extensive, while the agreement with China is significant because it is the first to have been concluded with that country.

As is known, a protocol on trade was signed with the Soviet Union under which the imports and exports of both countries in 1956 are to reach a value of thirty five million dollars. Furthermore we concluded with the Soviet Union an agreement on cooperation in the construction of industrial projects in Yugoslavia and on credit purchases of equipment and goods needed by the Yugoslav economy to the value of 110 million dollars (under this agreement a superphosphate plant, an artificial fertilizer factory and a thermo-electric power plant and some other projects will be constructed and several small mines reconstructed), an agreement on scientific and technical cooperation, a credit agreement for the purchase of 54 million dollars worth of raw materials and other goods, and an agreement on a credit of 30 million

dollars in gold or foreign currency. All these agreements help to broaden our economic relations, ensure the further construction of our industrial projects, and enable us to purchase the necessary raw materials on credit; thus they will have a favourable influence on our foreign balance of payments as well as on the stabilization of our internal market. The Soviet Union granted us the above mentioned credits for a period of ten years at an annual rate of interest of 2%. They are to be used in three years' time, and repayment will begin in 1959. The 30 million-dollar credit in gold or foreign currency can be used over a period of three years, either at once or in parts, and is to be repaid in ten years' time after it has been used.

The protocol on trade with Poland provides for a greater volume of trade than last year (its value is to be 29 million dollars as compared with 15 million dollars in 1955). Under this agreement we shall import from Poland various raw materials, such as coal, coke, rolled materials, and export bauxite, zinc and pyrite concentrate, lead, and other products. We also concluded with Poland an agreement on a 20 million-dollar credit, under which we shall purchase various industrial equipment and goods, an agreement on scientific and technical cooperation and a protocol on the cancellation of all mutual claims and obligations arising from earlier contracts and agreements. The 20 million-dollar credit will be used to purchase equipment for railway factories and installations for food industry plants and mining.

The latest among the agreements with the East European countries were those which we signed with Czechoslovakia in Prague recently. The arrival of our economic delegation in Prague was well received by the Czechoslovak public. Both Czechoslovakia and Yugoslavia approached the talks very seriously, for they were aware that these talks could be a turning point in their relations and have far-reaching significance. These talks were terminated in a relatively short time, and several agreements were signed. First, we concluded an agreement on the cancellation of all mutual claims and obligations arising from earlier contracts and on the regulation of all mutual property relations. This agreement also cancels Czechoslovakia's claims from the pre-war, war and post war period up to the time when our economic relations were broken off. Likewise, it settles the problem of nationalized Czechoslovak property in Yugoslavia. Furthermore, it regulates Yugoslavia's claims which arose through Czechoslovakia's arbitrary repudiation of our economic agreements in 1948. Secondly, we concluded an agreement under which Czechoslovakia grants us a credit of 50 million dollars for the purchase of investment equipment and goods. This credit is also to be used in a period of 5 years, and is to be repaid in ten years' time after 1961, together with a 2% annual interest rate. We signed another credit agreement, on the basis of which Czechoslovakia will supply us with 25 million dollars' worth of industrial consumer's goods. This credit, too, was granted for a period of ten years (from 1959) at a 2% annual rate of interest. Furthermore, we signed a temporary agreement on scientific and technical cooperation, under which Czechoslovakia will grant as technical assistance, send technicians to assist our personnel in factories, and enable our technicians to go for advance training to Czechoslovakia. It was agreed at the same time that in four months' time a permanent agreement on scientific and technical cooperation would be concluded, and general outlines of an agreement on tourist traffic between the two countries determined. Finally, on February 16, a protocol on trade for 1956 was concluded. Under this arrangement we shall import mostly rolled goods and other industrial equipment needed by our economy, and export agricultural and food products, ores and other products. The volume of trade provided for by this agreement is somewhat smaller than that which was provided under last year's agreement. This is due to the fact last year the value of trade was only about 50% of what was provided for, so that it was necessary to fix a more realistic volume of exchanges. In addition, the other agreements concluded made it necessary to provide for a smaller volume of trade exchanges than last year.

All agreements signed with Czechoslovakia are of mutual benefit and will have a favourable effect on the economies of both countries. The successful talks which preceded the signing of these agreements opened better possibilities for finding new forms of economic cooperation. Thus, an agreement on air services between the two countries was signed on February 28, and soon Czechoslovakia is to open a General Consulate in Zagreb.

Some time ago a Chinese economic delegation came to our country. And on February 17 the first trade and payments agreement, as well as an agreement on technical cooperation were signed with China. The value of the exports and imports of both countries under this agreement will be about 7 million dollars. Our im-

ports from China will include oil-seed, hides and other livestock products, tin, asbestos, graphite, tea, raw silk and chemicals, and our exports to China will consist of tobacco, agricultural machines, chemical products, cotton fabrics, medical instruments and some other products. The central banks of the two countries are to keep all accounts in our mutual trade in pounds sterling, and sales are to be concluded at the prevailing world prices.

Our country wants to expand its economic relations with all countries of the East and West, the Far and Near East, as well as with overseas areas, always on the basis of respect of people's independence, in harmony with the spirit of active coexistence and to the benefit of all.

The agreements mentioned above provide a basis for the further development and broadening of our economic relations with the East European countries. But, to go on developing and expanding these relations it will be necessary to study the possibilities of our mutual markets, which will require some time. It will be necessary to establish connections between the exporters and importers of our countries, to introduce new items on our markets, to adapt the consumption habits of our citizens, etc.

After the interruption of our economic relations with the East European countries, our foreign trade enterprises established firm connections with exporters and importers in West European and other countries. In the meantime considerable changes have taken place in the structure of our economy, which is no longer purely agricultural but agricultural-industrial in character, so that appropriate changes in our trade had to be made, particularly after 1949. The characteristic and connections of our foreign trade in as far as purchases of machines, industrial equipment and raw materials are concerned, have been consolidated to a large extent. Consequently, the exports of our traditional products are directed towards the West, and efforts are being made to find markets for the new products of our young industry in the Far and Near East and in other overseas areas. Owing to these reasons, we believe that our trade with the European countries can be expanded only through a long period of time. This year our trade with them cannot amount to more than 20% to 25% of our total trade at the best. We do not doubt the benefit of expanding economic cooperation with Eastern Europe if our relations with the countries of that area should continue to develop in a friendly and peaceful spirit as expressed in the Belgrade Declaration, a spirit which is in keeping with the fundamental principles of the policy pursued by our country.

J. D.



SOME ASPECTS OF MODERN YUGOSLAV PAINTING

A. ČELEBONOVIC

YUGOSLAVIA had painting of world significance only once in her history.

This was at the time of the creation of her monumental frescoes in the second half of the thirteenth century and in the beginning of the fourteenth century. The development of Yugoslav painting in this period evolved on the principles of Byzantine painting. The Renaissance, baroque, classicism, romanticism touched Yugoslav lands only as they would touch a province, to be sure leaving interesting traces here and there, very characteristic for the study of the local cultural history, but having no conspicuous place in world events. The political, social and economic conditions of her areas under foreign rule, prevented these brilliant beginnings from continuing parallel with artistic trends of Europe, that is, of the West. On the contrary, this political division which opened the door to various cultural influences made her territory an unusual scene of clashes between the West and East, the Mediterranean and the North. When this century saw the complete liberation of the people and the creation of a common state, and then, a few decades later, a social revolution and the changing of the economic structure of the country and society, there ensued on parallel lines a stronger liberation of the creative forces in the various spheres of activity, one of which, that of painting, has a conspicuous place.

It seems to us that this process of liberating forces is now in full swing and that it is actually far from culmination. People in Yugoslavia are still eager for explorations in painting. Here nobody will say that all possibilities have been exhausted and that younger generations can only look for solutions in using differently the technical experience of their predecessors. A much stronger impression prevails that young men are optimistically pushing off upon the waters of art. They feel the freshness of discovery even where individual attitudes are involved — attitudes which have perhaps already had their full evolution elsewhere, but here, compared to home conditions, they act with a new, unexpected strength.

However, here we must make an additional remark. The development of art in small milieus must not be considered identical with what is going on in big environments, say in Paris. Although modern art, in its essence, is cosmopolitan in character, and although it could not be divided with impunity into regional schools, it is nonetheless clear that in many small countries, including Yugoslavia, important results have been achieved only in certain modern forms, while others, despite their presence, failed to rise above the transitory taste of the times. In other words, what happened in modern painting as a general phenomenon was echoed throughout the world, but each milieu which responded to the call of

the new conceptions was characterised by a different spiritual tone or wavelength to which the local sound sources reacted.

A question of tradition and mentality? Perhaps. A question of historical moment in the development of culture? Certainly. It may be easily ascertained that the Yugoslavs have made remarkable contributions in a sense which may be taken to be parallel with those of French artists whom Raymond Cogniat grouped under the name of "painters of poetic reality". As in France, here too this includes painters born at the turn of the century who joined artistic life after the First World War. But in contrast to their Paris colleagues they have not inherited, in their own country, such a rich experimental past of modern painting — a past coloured by polemics and different programmes and "isms".

Certain traces of impressionism which reached here by way of Germany, as well as a characteristic fauvist trend which arose in direct contact with France, marked the time up to 1914. Then the period directly after the war saw the manifestation of different cubist influences but without that firm theoretical basis and without that penetrating conviction which this movement had abroad as a guarantee of lasting value. Most of those who in the first years following 1918 were carried away by enthusiasm for cubistic syntheses and analyses did not consistently follow the same road, but soon abandoned it for the sake of more spontaneous expression. Consequently those painters who upheld the profound and sincere feeling of nature, expressed in an entirely personal language, appeared like logical continuers of their pre-war predecessors, rather than an antithesis of rational cubistic tendencies. Their painting rested on spontaneous and lyrical interpretations of nature. This is the essential colour with which the artist, so to say, instinctively expresses himself, and painters with such trends are all fundamentally colourists no matter whether they narrowed down their palette to tonal contrasts in a gamma or gave it free rein in a wide range of spectral colours.

Parallel with our statement that Yugoslav painting developed in a lyrical and colouristic sense, it is not amiss to remember that national costumes and embroidery have been for centuries the holders of such feelings. The strange richness of this kind lived, until recently and partly lives today on the scarves, skirts, rugs and other products of Yugoslav national handicrafts. From the severe black and white elements used in some areas, to the very rich colour combinations prevailing in others, there is a flow of varied inspiration of the national genius in painting. On the other hand, those objects in domestic use through which rationality and constructiveness may be expres-

sed, such as pieces of furniture, dishes, tools, farming installations and even houses, have not revealed such lively inventiveness. Is it to be concluded from this that the character of Yugoslavs is predominantly intuitive and only to a lesser extent rational? Such generalizations are always risky, especially in modern times when traffic possibilities provide a much firmer base for a continuous exchange between nations in all fields of human activity. In any case, as far as modern painting is concerned, the lyrical, intimate and spontaneous expression of man's attitude to nature carried conviction here.

One could cite a number of artists who produced valuable works in this field. Some of them, for example Dobrović, Plančić, Šumanović, Job, had their activities cut short by death. Others have given ever fresh proof of the vitality of their artistic conceptions during the last 25—30 years. These are Bijelić, Zora Petrović, Milunović, Taralja, Konjović, Tabaković, M. Čelebonović, Gvozdenović, and, of the younger, Stupica, Milosavljević, Pregelj and others. We shall refer to two of them because of the actuality and influence exercised by their work today.

Milo Milunović (born 1897) lived with brief interruptions in France for 12 years, i. e. from 1919 till 1932. He was actually formed in that country. This painter is a classicist among Yugoslav artists. The balance of masses and solid internal architecture is characteristic of his method in composition while colour is used with strict value definiteness. Milunović's pictures today are particularly characterised by brightness expressed in terms of monumentality. This is most frequently pervaded by a breath of sea with simple contrasting of objects and figures against the blue of the sea. His freedom in interpreting nature is not at all detrimental to his classical feeling for measure. Milunović is a pure representative of the Mediterranean spirit.

In contrast to him, M. Čelebonović (born 1902) who has likewise lived in France for a long time, exhibiting under the name of Marko, is a painter of instinct and direct contact with the world which surrounds him. In his pictures everything turns into a fruitful subject: an interior, objects heaped upon each other, figures in their environment a landscape. All this evolves on canvas with such naturalness and without the intervention of classical or at least any evident laws of composition, that one always stops before these canvases with the feeling that beneath their apparent surface, an unseen world also lies hidden. This is a special poetry born of reality and realized thanks to a sharp sense of observation. The distance between objects, the space circulating around them, become a live element

of the painter's representations. Formerly these were given in transparent colour with a refined colouristic texture, while today they are laid on with a thick brush and in bold contrasts. Large still lifes from well-stocked pantries or stuffed birds on a table, are now the painter's favourite subjects in which a strong colour symphony develops in bright earnestness.

Another artistic trend in which the Yugoslavs gave interesting works, even entire movements, might be described as expressionism, taken in its widest sense. If the painters of poetic reality are essentially the continuation or, to put it more correctly, a further evolution of the fauvist expression in painting and hence in their spiritual affinities, turned towards France, the expressionists can more justifiably be connected with what happened in the northern or central parts of Europe. Actually, in this area, it is often very difficult to separate these two trends. Is not German expressionism a special form of fauvism? It might be said that the first group is chiefly preoccupied in its inspiration with a visual sensing of the world, while the second, with its psychological preoccupations, is directed towards the expression of man's intrinsic nature. This can more easily be separated in conceptions than in pictures where the two elements are most frequently intertwined.

In the years directly following the First World War there were unmistakable expressionists among Yugoslavs just as, apart from Germany, they also existed in Austria, Poland and Czechoslovakia, but one of its branches — at the base of the formation of the "Zemlja" group in Croatia — was particularly interesting as a movement. The initiator and main inspirer of the group was the painter Krsto Hegedušić, born in 1901. His paintings described life in the countryside, that is, its social relations or material and cultural conditions. This was a kind of expressionism similar to that of Belgium, which André Lhote dubbed "expressionisme en sabots", but with less good-natured tranquillity and more fighting spirit in the interpretation of its views at the expense of society. Besides this, Hegedušić if often connected with Breughel the Elder on account of the composition of his landscapes. He partly passed this spirit on to his followers, some of whom are peasant painters. Staying every year in the Podravina village of Hlebina in an area noted for certain traditions of painting, he stimulated several young peasants who continued this occupation in addition to their regular work. Ivan Generalić, born in 1914, has particularly recorded good progress, developing his own style of painting on glass. His representations

which have been increasingly tending towards minute drawing and subtle tonalities, sometimes in their endless vistas reveal a certain sur-realist taste.

There is nothing strange in the fact that in some cases expressionist evolution passes into sur-realism. Psychological motives conceal sub-conscious ones, and the man who looks into one can hardly refrain from looking into the other. This happened with France Mihelić (born in 1907). He too was a member of the "Zemlja" group in his youth. His pictures and drawings for a long time centred on the hard life of man in the village and later in the partisan struggle. But he reached the full maturity of his style with his village carnival masks. The feathers and prickly forms sticking out on the heads and robes of the "kurenti", as these disguised peasants are called because of the constant running and movement in which they indulge offered him the elements of a new and personal artistic language with which he expresses an equally personally discovered world. He no longer devotes his whole attention to masks, but abandons himself to associations stimulated by popular beliefs or speculations about life. Still, that prickly form is still the principal motive which is intertwined with various representations, providing them with their subconscious effect. Another sur-realist, much younger, Miljenko Stanić, (born in 1925, paints semi-obscure interiors of the provincial town environment where everything appears serene and quiet from the outside while the painter manages to suggest passions tearing at the souls of his characters. His smooth technique and soft lighting effects connect him with the Flemish painters of interiors of the seventeenth century, or with Georges de la Tour.

Expressionism is a wide term so it can also include the works of Petar Lubarda (born in 1907), one of the most authentic Yugoslav painters. His other works would belong to abstract expressionism. Even before the war he was esteemed in his own country, but as a painter who got inspiration from reality. The Montenegrin landscapes with their rocky mountain structure or old olive-trees which lift their branches towards the skies, like human hands, were the motifs which obsessed him for a long time. His present style issued from them. His colours became bright, the range more magnificent while the rocky structure of the soil increasingly developed into an independent obsession. The link with reality gradually disappeared as inessential. The feeling of the Montenegrin rocks, as matter and as a powerful glow under the clear blueness of that southern sky, lives in his

pictures as granular paste and as colour. The strange baroque forms of those rocks, such as are to be found in the neighbourhood of Cetinje and the Scutari Lake, are likewise a constant accompanying tone in everything he paints. These are sometimes battles in which men and animals intermingle, a dramatic expression of the people's bard or simply forms which, as symbols of passion-expressed in the whole of his work, live an independent life on the wall. Lubarda's painting is markedly mural in character and during the last few years he produced in Belgrade several significant decorative works.

The symbolic painting of Lazar Vujaklija (born in 1914), compositor and bookbinder, also belongs to the psychological network of expressionist problems. During the last few years Vujaklija established himself as a gifted painter. His painting is expressly ideological in theme and primitivist by origin. His predecessors could be traced among the medieval chisellers of reliefs on the Bogumil tomb stones and his symbols are: round heads, upraised hands, pigeons in flight, snakes, plants, small houses. All this is produced as often as not in bright colour against dark background. These pictures express sorrow without despair and convulsion without moaning. They show a brightness of understanding and strange humour. In any case they are poetic and also very decorative.

If one considers the panorama of modern Yugoslav painting which is not narrower in conception than in most European countries, he will be able to draw certain conclusions as regards its immediate past, as well as its today's condition. Viewed from the angle of new visual conceptions and ideas, we would have nothing special to emphasize in Yugoslav painting, just as in most of the European countries outside France, Italy, Germany. But from the viewpoint of personal realizations, in the framework of already existing ideological and special conceptions of modern painting, we find a rich artistic material. What obtained strong expression among the Yugoslavs is on the one hand direct inspiration from nature, and on the other, psychological and psycho-analytical preoccupations. Actually these are two aspects of concrete life. The painting which follows this path is interested, in both cases, in intimate human content and, to a lesser extent, in the ideal of abstract beauty. In this direction the Yugoslav painters found their original forms of expression, which speak with much authentic force of some essential qualities of the country and its people.

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